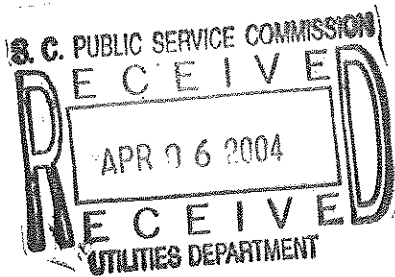


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A' 7



**AMENDED**  
**DIRECT TESTIMONY**  
**OF**  
**JOHN R. HENDRIX**  
**ON BEHALF OF**  
**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**DOCKET NO. 2004-2-E**

RECEIVED  
2004 APR - 6 PM 12:45  
S.C. PUBLIC SERVICE  
COMMISSION

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. John R. Hendrix, 1426 Main Street, Columbia, South Carolina.

**Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

A. I am Manager of Electric Pricing and Rate Administration at SCANA Services, Inc.

**Q. DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.**

A. I am a graduate of the University of South Carolina where I received a Bachelor of Science Degree in Business Administration with a major in marketing. Since joining South Carolina Electric & Gas Company in August, 1983, I have held various positions within the Rate Department. In November, 1999, I assumed my present position. I have participated in cost of service studies, rate development and design, and rate evaluation programs for both the electric and gas operations. I am a member of the Southeastern Electric Exchange Rate Section.

RETURN DATE: OK RNC  
SERVICE: OK RNC

1 Q. WILL YOU BRIEFLY SUMMARIZE YOUR DUTIES WITH SOUTH CAROLINA  
2 ELECTRIC & GAS COMPANY?

3 A. I am responsible for the design and administration for the Company's electric  
4 rates and tariffs including the electric fuel adjustment. In addition, I am  
5 responsible for the Company's electric cost allocation studies.

6 Q. MR. HENDRIX, WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
7 PROCEEDING?

8 A. The purpose of my testimony is to provide the actual fuel cost data for the period  
9 March, 2003 through February, 2004, the historical period under review in this  
10 proceeding. I will also provide the computations for the projected fuel cost per  
11 kilowatt-hour of sales for the period May, 2004 through April, 2005, along with the  
12 Company's recommended fuel rate for the period ending April, 2005.

13 Q. WHAT IS THE COMPANY'S CURRENTLY APPROVED RATE FOR FUEL  
14 COST?

15 A. In Order No. 2003-295, dated May 1, 2003, the Commission approved a 1.678  
16 cents per KWH fuel component, which is currently in effect.

17  
18 Q. WILL YOU PLEASE EXPLAIN EXHIBIT NO. \_\_\_\_\_(JRH-1)?

19 A. Exhibit No. \_\_\_\_\_(JRH-1) shows the actual fuel cost and over/under  
20 recovery of fuel revenue experienced by the Company for the months of March,  
21 2003 through February, 2004, as well as the forecast for March and April, 2004.  
22 As shown on this Exhibit, the Company has an actual under collection of

1 \$20,532,261 as of February, 2004. The forecasted balance at April, 2004 is an  
2 under collection of \$22,862,377.

3 **Q. WILL YOU PLEASE EXPLAIN EXHIBIT NO.\_\_\_\_\_(JRH-2)?**

4 A. Exhibit No.\_\_\_\_\_(JRH-2) contains the Company's fuel cost forecast and  
5 projected recovery calculations by month for May, 2004 through April, 2005. This  
6 exhibit reflects the monthly and cumulative over and under projected fuel cost  
7 collection expected by the Company using my recommendation as to maintaining  
8 the current fuel rate. My projection shows an under recovery of \$22,862,377 at  
9 April, 2004 and an over recovery of \$41,083 at April, 2005.

10 **Q. BY WHAT PROCESS DO YOU DEVELOP YOUR FUEL FACTOR FOR**  
11 **SCE&G'S RATES?**

12 A. As Mr. Neely indicates in his testimony, we receive the output from the PROSYM  
13 model from the Resource Planning Department. This data is loaded onto  
14 spreadsheets along with fuel ending inventories, emission allowances,  
15 forecasted fuel prices and information regarding operations to determine  
16 projected fuel costs for March and April, 2004, as well as the twelve months  
17 ending April, 2005.

18 **Q. WILL YOU PLEASE EXPLAIN EXHIBIT NO.\_\_\_\_\_(JRH-3)?**

19 A. Exhibit No.\_\_\_\_\_(JRH-3) provides the calculation of the projected fuel  
20 component for the twelve-month period May, 2004 through April, 2005, as well as  
21 the Company's fuel rate recommendation. For the twelve months May, 2004  
22 through April, 2005 the base fuel cost is 1.941 cents per KWH, which includes  
23 .069 cents per KWH for the anticipated under collection.

1 **Q. PLEASE EXPLAIN THE ADJUSTMENT OF \$25,618,063 ON PAGE 2, LINE 12**  
2 **OF EXHIBIT NO. \_\_\_\_\_ (JRH-4)?**

3 A. The adjustment referred to in my exhibit is included because of a stipulated  
4 recommendation to the Commission by the Consumer Advocate and SCE&G for the  
5 disposition of appeals in Dockets Nos. 2002-2-E and 2003-2-E. These cases  
6 involved interpretation of the Fuel Clause Statute. Since 1996, the Commission  
7 permitted the Company to recover, through its fuel clause, the full cost of economic  
8 purchases of electric power as long as the amount of any such purchase was less  
9 than the Company's cost of generating an equivalent amount of power, i.e. the  
10 Company's avoided cost. In appeals of the 2002 and 2003 electric fuel cases, the  
11 Court, has held that the statute, as then written, limited recovery through the fuel  
12 clause to only fuel costs incurred in generating the power which was purchased.  
13 Because the record in those cases reflected that, in existing competitive electric  
14 markets, fuel costs are often unascertainable, the Consumer Advocate  
15 recommended the use of a fuel cost proxy to apply in such instances. The General  
16 Assembly of South Carolina has now amended the Fuel Clause Statute clarifying its  
17 intent to allow the full cost of economic power purchases through the fuel clause  
18 using an avoided cost test; however, this still leaves the 2002 and 2003 cases to be  
19 disposed of on remand to the Commission. It is to dispose of these two cases that  
20 the Company and the Consumer Advocate have developed the stipulated  
21 recommendation a copy of which I am hereby submitting, as Exhibit (JRH-7) for  
22 Commission approval. The original has been filed with the Commission. At this  
23 time, the Company and Consumer Advocate believe that it is in the best interests of

1 all parties to settle these cases by allowing recovery through the fuel clause of 60%  
2 of the disputed costs and deferring 40% for recovery in the Company's next rate  
3 case adjusting base electric rates. The adjustment in my exhibit reflects the 40%  
4 deferred costs and the removal of that cost from the fuel clause.

5 **Q. MR. HENDRIX, WHAT FUEL COMPONENT IS THE COMPANY PROPOSING**  
6 **IN THIS PROCEEDING?**

7 A. If the stipulation with the Consumer Advocate as discussed above is approved  
8 by the Commission, the Company would propose that the fuel component be set  
9 at 1.821 cents per KWH effective for bills rendered on and after the first billing  
10 cycle of May, 2004 and continuing through the billing month of April, 2005.

11 Please see Exhibit No.\_\_\_\_\_(JRH-4), Exhibit No.\_\_\_\_\_(JRH-5), and Exhibit  
12 No.\_\_\_\_\_(JRH-6) for the calculations regarding the proposal that includes the  
13 impact of the stipulation. If the settlement is not approved, the Company would  
14 propose a fuel component of 1.941 cents per KWH effective for bills rendered on  
15 and after the first billing cycle of May 2004 through the billing month of April,  
16 2005.

17  
18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 A. Yes.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

FUEL COSTS REPORT

Exhibit No. \_\_\_\_ (JRH-1)

| LINE<br>NO.   | ACTUAL 2003    |                |                |                  |                  |                |                |                |  |  |  |
|---|----------------|----------------|----------------|------------------|------------------|----------------|----------------|----------------|--|--|--|
|   | MARCH          | APRIL          | MAY            | JUNE             | JULY             | AUGUST         | SEPTEMBER      | OCTOBER        |  |  |  |
|   | \$             | \$             | \$             | \$               | \$               | \$             | \$             | \$             |  |  |  |
| 1. TOTAL COST OF FOSSIL FUEL BURNED                     | 17,842,766     | 19,992,648     | 20,456,145     | 22,467,798       | 23,525,048       | 26,277,795     | 19,875,132     | 15,078,802     |  |  |  |
| 2. NUCLEAR FUEL   | 2,598,704      | 2,516,465      | 2,316,403      | 2,514,243        | 2,599,631        | 2,598,420      | 2,516,609      | 826,761        |  |  |  |
| 3. PURCHASED AND INTERCHANGE POWER FUEL COSTS           | 4,021,560      | 5,332,324      | 8,831,667      | 8,859,305        | 11,362,081       | 11,681,406     | 7,667,462      | 15,938,976     |  |  |  |
| 4. FUEL RECOVERED THROUGH INTERSYSTEM SALES             | <u>471,232</u> | <u>335,760</u> | <u>612,312</u> | <u>1,134,509</u> | <u>1,142,251</u> | <u>641,611</u> | <u>772,989</u> | <u>333,940</u> |  |  |  |
| 5. TOTAL FUEL COSTS (LINES 1+2+3+4)                     | 23,991,798     | 27,505,677     | 30,991,903     | 32,706,837       | 36,344,509       | 39,916,010     | 29,286,214     | 31,510,599     |  |  |  |
| 6. TOTAL SYSTEM SALES EXCLUDING INTERSYSTEM SALES (KWH) | 1,672,348,080  | 1,577,065,407  | 1,757,711,087  | 1,841,343,714    | 2,165,307,980    | 2,173,309,064  | 1,987,895,311  | 1,731,421,565  |  |  |  |
| 7. FOSSIL FUEL COST PER KWH SALES                       | 0.014346       | 0.017441       | 0.017632       | 0.017762         | 0.016785         | 0.018366       | 0.014732       | 0.018199       |  |  |  |
| 8. LESS BASE COST PER KWH INCLUDED IN RATES             | 0.016780       | 0.016780       | 0.016780       | 0.016780         | 0.016780         | 0.016780       | 0.016780       | 0.016780       |  |  |  |
| 9. FOSSIL FUEL ADJUSTMENT PER KWH                       | (0.00243)      | 0.00066        | 0.00085        | 0.00098          | 0.00001          | 0.00159        | (0.00205)      | 0.00142        |  |  |  |
| 10. OVER/UNDER RECOVERY REVENUE KWH                     | 1,567,177,784  | 1,472,766,084  | 1,646,944,131  | 1,711,917,315    | 2,029,340,087    | 2,026,432,489  | 1,864,888,612  | 1,622,097,017  |  |  |  |
| 11. OVER/UNDER RECOVERY REVENUE                         | (3,808,242)    | 972,026        | 1,399,903      | 1,677,679        | 20,293           | 3,222,028      | (3,823,022)    | 2,303,378      |  |  |  |
| 12. ADJUSTMENT  | 0              | 0              | (38,245)       | 0                | 0                | 109,973        | 65,303         | 0              |  |  |  |
| 13. FIXED CAPACITY CHARGES                              | 0              | (673,417)      | (673,417)      | (673,417)        | (673,417)        | (673,417)      | (673,417)      | (673,417)      |  |  |  |
| 14. NET OVER/UNDER RECOVERY REVENUE                     | (3,808,242)    | 298,609        | 688,241        | 1,004,262        | (653,124)        | 2,658,584      | (4,431,136)    | 1,629,961      |  |  |  |
| 15. CUMULATIVE UNDER(OVER)\$21,878,559                  | 18,070,317     | 18,368,926     | 19,057,167     | 20,061,429       | 19,408,305       | 22,066,889     | 17,635,753     | 19,285,714     |  |  |  |

SOUTH CAROLINA ELECTRIC & GAS COMPANY

FUEL COSTS REPORT

| LINE NO.  | ACTUAL 2003 - 2004 |                |                  |                  | FORECAST 2004    |                  |
|---|--------------------|----------------|------------------|------------------|------------------|------------------|
|   | NOVEMBER<br>\$     | DECEMBER<br>\$ | JANUARY<br>\$    | FEBRUARY<br>\$   | MARCH<br>\$      | APRIL<br>\$      |
| 1. TOTAL COST OF FOSSIL FUEL BURNED                     | 17,160,803         | 18,630,370     | 25,689,305       | 24,785,979       | 28,226,000       | 26,302,000       |
| 2. NUCLEAR FUEL   | 290,862            | 2,439,690      | 2,441,056        | 2,286,026        | 2,240,000        | 2,159,000        |
| 3. PURCHASED AND INTERCHANGE POWER FUEL COSTS           | 15,543,671         | 13,113,819     | 7,984,875        | 6,634,589        | 1,506,000        | 2,025,000        |
| 4. FUEL RECOVERED THROUGH INTERSYSTEM SALES             | <u>167,815</u>     | <u>530,348</u> | <u>4,940,422</u> | <u>3,814,793</u> | <u>1,659,000</u> | <u>1,359,000</u> |
| 5. TOTAL FUEL COSTS (LINES 1+2+3-4)                     | 32,827,521         | 33,653,531     | 31,174,814       | 29,891,801       | 30,313,000       | 29,127,000       |
| 6. TOTAL SYSTEM SALES EXCLUDING INTERSYSTEM SALES (KWH) | 1,570,800,420      | 1,824,278,033  | 1,965,434,221    | 1,984,262,746    | 1,668,000,000    | 1,639,000,000    |
| 7. FOSSIL FUEL COST PER KWH SALES                       | 0.020899           | 0.018448       | 0.015862         | 0.015064         | 0.018173         | 0.017771         |
| 8. LESS BASE COST PER KWH INCLUDED IN RATES             | 0.016780           | 0.016780       | 0.016780         | 0.016780         | 0.016780         | 0.016780         |
| 9. FOSSIL FUEL ADJUSTMENT PER KWH                       | 0.00412            | 0.00167        | (0.00092)        | (0.00172)        | 0.00139          | 0.00099          |
| 10. OVER/UNDER RECOVERY REVENUE KWH                     | 1,461,116,878      | 1,691,946,696  | 1,834,324,826    | 1,859,045,811    | 1,557,000,000    | 1,528,000,000    |
| 11. OVER/UNDER RECOVERY REVENUE                         | 6,019,802          | 2,825,551      | (1,687,579)      | (3,197,559)      | 2,164,230        | 1,512,720        |
| 12. ADJUSTMENT  | 0                  | 0              | 0                | 0                | 0                | 0                |
| 13. FIXED CAPACITY CHARGES                              | (673,417)          | (673,417)      | (673,417)        | (673,417)        | (673,417)        | (673,417)        |
| 14. NET OVER/UNDER RECOVERY REVENUE                     | 5,346,385          | 2,152,134      | (2,360,996)      | (3,870,976)      | 1,490,813        | 839,303          |
| 15. CUMULATIVE UNDER(OVER)\$19,265,714                  | 24,612,099         | 26,764,233     | 24,403,237       | 20,532,261       | 22,023,074       | 22,862,377       |

Exhibit No. (JRH-1)

SOUTH CAROLINA ELECTRIC & GAS COMPANY

FUEL COSTS REPORT

2004 FORECAST

| LINE NO.  | MAY<br>\$     | JUNE<br>\$    | JULY<br>\$    | AUGUST<br>\$  | SEPTEMBER<br>\$ | OCTOBER<br>\$ |
|---|---------------|---------------|---------------|---------------|-----------------|---------------|
| 1. TOTAL COST OF FOSSIL FUEL BURNED                     | 30,361,000    | 39,968,000    | 44,979,000    | 45,033,000    | 32,971,000      | 27,593,000    |
| 2. NUCLEAR FUEL   | 2,234,000     | 2,140,000     | 2,211,000     | 2,211,000     | 2,140,000       | 2,235,000     |
| 3. PURCHASED AND INTERCHANGE POWER FUEL COSTS           | 7,928,000     | 8,098,000     | 9,160,000     | 9,460,000     | 8,204,000       | 7,160,000     |
| 4. FUEL RECOVERED THROUGH INTERSYSTEM SALES             | 6,937,000     | 11,404,000    | 10,190,000    | 10,556,000    | 8,845,000       | 4,123,000     |
| 5. TOTAL FUEL COSTS (LINES 1+2+3+4)                     | 33,586,000    | 38,802,000    | 46,160,000    | 46,148,000    | 34,470,000      | 32,865,000    |
| 6. TOTAL SYSTEM SALES EXCLUDING INTERSYSTEM SALES (KWH) | 1,768,000,000 | 1,997,000,000 | 2,252,000,000 | 2,273,000,000 | 2,166,000,000   | 1,810,000,000 |
| 7. FOSSIL FUEL COST PER KWH SALES                       | 0.018997      | 0.019430      | 0.020497      | 0.020303      | 0.015914        | 0.018157      |
| 8. LESS BASE COST PER KWH INCLUDED IN RATES             | 0.019410      | 0.019410      | 0.019410      | 0.019410      | 0.019410        | 0.019410      |
| 9. FOSSIL FUEL ADJUSTMENT PER KWH                       | (0.00041)     | 0.00002       | 0.00109       | 0.00089       | (0.00350)       | (0.00125)     |
| 10. OVER/UNDER RECOVERY REVENUE KWH                     | 1,849,000,000 | 1,864,000,000 | 2,104,000,000 | 2,123,000,000 | 2,037,000,000   | 1,694,000,000 |
| 11. OVER/UNDER RECOVERY REVENUE                         | (676,090)     | 37,280        | 2,293,360     | 1,889,470     | (7,129,500)     | (2,117,500)   |
| 12. ADJUSTMENT  | 0             | 0             | 0             | 0             | 0               | 0             |
| 13. FIXED CAPACITY CHARGES                              | (673,417)     | (673,417)     | (673,417)     | (673,417)     | (673,417)       | (673,417)     |
| 14. NET OVER/UNDER RECOVERY REVENUE                     | (1,349,507)   | (636,137)     | 1,619,943     | 1,216,053     | (7,802,917)     | (2,790,917)   |
| 15. CUMULATIVE UNDER(OVER) \$22,862,377                 | 21,512,870    | 20,876,733    | 22,496,676    | 23,712,729    | 15,909,812      | 13,118,895    |

Exhibit No. (JRH-2)



## SOUTH CAROLINA ELECTRIC &amp; GAS COMPANY

## FUEL COSTS REPORT

## 2004 - 2005 FORECAST

| LINE NO.  | NOVEMBER<br>\$ | DECEMBER<br>\$ | JANUARY<br>\$ | FEBRUARY<br>\$ | MARCH<br>\$   | APRIL<br>\$   |
|---|----------------|----------------|---------------|----------------|---------------|---------------|
| 1. TOTAL COST OF FOSSIL FUEL BURNED                     | 23,852,000     | 28,503,000     | 28,960,000    | 21,134,000     | 22,339,000    | 25,940,000    |
| 2. NUCLEAR FUEL   | 2,159,000      | 2,235,000      | 2,235,000     | 2,013,000      | 2,235,000     | 1,152,000     |
| 3. PURCHASED AND INTERCHANGE POWER FUEL COSTS           | 7,693,000      | 8,398,000      | 7,962,000     | 8,937,000      | 9,325,000     | 8,517,000     |
| 4. FUEL RECOVERED THROUGH INTERSYSTEM SALES             | 4,475,000      | 4,932,000      | 3,927,000     | 1,351,000      | 1,932,000     | 2,146,000     |
| 5. TOTAL FUEL COSTS (LINES 1+2+3+4)                     | 29,229,000     | 34,204,000     | 35,230,000    | 30,733,000     | 31,967,000    | 33,463,000    |
| 6. TOTAL SYSTEM SALES EXCLUDING INTERSYSTEM SALES (KWH) | 1,666,000,000  | 1,789,000,000  | 1,918,000,000 | 1,805,000,000  | 1,694,000,000 | 1,665,000,000 |
| 7. FOSSIL FUEL COST PER KWH SALES                       | 0.017544       | 0.019119       | 0.018368      | 0.017027       | 0.018871      | 0.020098      |
| 8. LESS BASE COST PER KWH INCLUDED IN RATES             | 0.019410       | 0.019410       | 0.019410      | 0.019410       | 0.019410      | 0.019410      |
| 9. FOSSIL FUEL ADJUSTMENT PER KWH                       | (0.00187)      | (0.00029)      | (0.00104)     | (0.00238)      | (0.00054)     | 0.00069       |
| 10. OVER/UNDER RECOVERY REVENUE KW                      | 1,555,000,000  | 1,661,000,000  | 1,788,000,000 | 1,683,000,000  | 1,582,000,000 | 1,553,000,000 |
| 11. OVER/UNDER RECOVERY REVENUE                         | (2,907,850)    | (481,690)      | (1,859,520)   | (4,005,540)    | (854,280)     | 1,071,570     |
| 12. ADJUSTMENT  | 0              | 0              | 0             | 0              | 0             | 0             |
| 13. FIXED CAPACITY CHARGES                              | (673,417)      | (673,417)      | (673,417)     | (673,417)      | (673,417)     | (673,417)     |
| 14. NET OVER/UNDER RECOVERY REVENUE                     | (3,581,267)    | (1,155,107)    | (2,532,937)   | (4,678,957)    | (1,527,697)   | 398,153       |
| 15. CUMULATIVE UNDER(OVER) \$13,118,895                 | 9,537,628      | 8,382,521      | 5,849,584     | 1,170,627      | (357,070)     | 41,083        |

**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
CALCULATION OF BASE FUEL COMPONENT**

**FORECAST  
MAY 04 - APR 05  
12 MONTHS**

**1. PROJECTED DATA:**

|                          |           |
|--------------------------|-----------|
| COST OF FUEL (\$000)     | \$426,857 |
| SYSTEM SALES (GWH)       | 22,803    |
| AVERAGE COST (CENTS/KWH) | 1.872     |

|  |                 |
|--|-----------------|
| <b>2. (OVER)/UNDER COLLECTION (\$000) THROUGH APRIL 2004</b> | <b>\$14,781</b> |
|--|-----------------|

|                                   |        |
|-----------------------------------|--------|
| SOUTH CAROLINA RETAIL SALES (GWH) | 21,293 |
| AVERAGE COST (CENTS/KWH)          | 0.069  |

**3. BASE COST (CENTS/KWH):**

|                            |              |
|----------------------------|--------------|
| PROJECTED FUEL COST        | 1.872        |
| (OVER)/UNDER RECOVERY RATE | <u>0.069</u> |
| PROJECTED BASE FUEL COST   | <u>1.941</u> |

**Note:** Over/Under Collection reduced by the retail portion of Urquhart Fixed Capacity Charge (\$8,081,000) per Order No. 2003-38.

## SOUTH CAROLINA ELECTRIC &amp; GAS COMPANY

## FUEL COSTS REPORT

Exhibit No. \_\_\_\_ (JRH-4)

| LINE<br>NO.  | ACTUAL 2003    |                |                |                  |                  |                |                 |                |  |  |  |  |
|--|----------------|----------------|----------------|------------------|------------------|----------------|-----------------|----------------|--|--|--|--|
|  | MARCH<br>\$    | APRIL<br>\$    | MAY<br>\$      | JUNE<br>\$       | JULY<br>\$       | AUGUST<br>\$   | SEPTEMBER<br>\$ | OCTOBER<br>\$  |  |  |  |  |
| 1. TOTAL COST OF FOSSIL<br>FUEL BURNED                     | 17,842,766     | 19,992,648     | 20,456,145     | 22,467,798       | 23,525,048       | 26,277,795     | 19,875,132      | 15,078,802     |  |  |  |  |
| 2. NUCLEAR FUEL  | 2,598,704      | 2,516,465      | 2,316,403      | 2,514,243        | 2,599,631        | 2,598,420      | 2,516,609       | 826,761        |  |  |  |  |
| 3. PURCHASED AND INTERCHANGE<br>POWER FUEL COSTS           | 4,021,560      | 5,332,324      | 8,831,667      | 8,859,305        | 11,362,081       | 11,681,406     | 7,667,462       | 15,938,976     |  |  |  |  |
| 4. FUEL RECOVERED THROUGH<br>INTERSYSTEM SALES             | <u>471,232</u> | <u>335,760</u> | <u>612,312</u> | <u>1,134,509</u> | <u>1,142,251</u> | <u>641,611</u> | <u>772,989</u>  | <u>333,940</u> |  |  |  |  |
| 5. TOTAL FUEL COSTS<br>(LINES 1+2+3-4)                     | 23,991,798     | 27,505,677     | 30,991,903     | 32,706,837       | 36,344,509       | 39,916,010     | 29,286,214      | 31,510,599     |  |  |  |  |
| 6. TOTAL SYSTEM SALES EXCLUDING<br>INTERSYSTEM SALES (KWH) | 1,672,348,080  | 1,577,065,407  | 1,757,711,087  | 1,841,343,714    | 2,165,307,980    | 2,173,309,064  | 1,987,895,311   | 1,731,421,565  |  |  |  |  |
| 7. FOSSIL FUEL COST PER KWH SALES                          | 0.014346       | 0.017441       | 0.017632       | 0.017762         | 0.016785         | 0.018366       | 0.014732        | 0.018199       |  |  |  |  |
| 8. LESS BASE COST PER KWH<br>INCLUDED IN RATES             | 0.016780       | 0.016780       | 0.016780       | 0.016780         | 0.016780         | 0.016780       | 0.016780        | 0.016780       |  |  |  |  |
| 9. FOSSIL FUEL ADJUSTMENT PER KWH                          | (0.00243)      | 0.00066        | 0.00085        | 0.00098          | 0.00001          | 0.00159        | (0.00205)       | 0.00142        |  |  |  |  |
| 10. OVER/UNDER RECOVERY REVENUE KWH                        | 1,567,177,784  | 1,472,766,084  | 1,646,944,131  | 1,711,917,315    | 2,029,340,087    | 2,026,432,489  | 1,864,888,612   | 1,622,097,017  |  |  |  |  |
| 11. OVER/UNDER RECOVERY REVENUE                            | (3,808,242)    | 972,026        | 1,399,903      | 1,677,679        | 20,293           | 3,222,028      | (3,823,022)     | 2,303,378      |  |  |  |  |
| 12. ADJUSTMENT   | 0              | 0              | (38,245)       | 0                | 0                | 109,973        | 65,303          | 0              |  |  |  |  |
| 13. FIXED CAPACITY CHARGES                                 | 0              | (673,417)      | (673,417)      | (673,417)        | (673,417)        | (673,417)      | (673,417)       | (673,417)      |  |  |  |  |
| 14. NET OVER/UNDER RECOVERY REVENUE                        | (3,808,242)    | 298,609        | 688,241        | 1,004,262        | (653,124)        | 2,658,584      | (4,431,136)     | 1,629,961      |  |  |  |  |
| 15. CUMULATIVE UNDER(OVER)\$21,878,559                     | 18,070,317     | 18,368,926     | 19,057,167     | 20,061,429       | 19,408,305       | 22,066,889     | 17,635,753      | 19,265,714     |  |  |  |  |

SOUTH CAROLINA ELECTRIC & GAS COMPANY

FUEL COSTS REPORT

| LINE<br>NO.  | ACTUAL 2003 - 2004 |                |                  |                  | FORECAST 2004    |                  |
|--|--------------------|----------------|------------------|------------------|------------------|------------------|
|  | NOVEMBER<br>\$     | DECEMBER<br>\$ | JANUARY<br>\$    | FEBRUARY<br>\$   | MARCH<br>\$      | APRIL<br>\$      |
| 1. TOTAL COST OF FOSSIL<br>FUEL BURNED                     | 17,160,803         | 18,630,370     | 25,689,305       | 24,785,979       | 28,226,000       | 26,302,000       |
| 2. NUCLEAR FUEL  | 290,862            | 2,439,690      | 2,441,056        | 2,286,026        | 2,240,000        | 2,159,000        |
| 3. PURCHASED AND INTERCHANGE<br>POWER FUEL COSTS           | 15,543,671         | 13,113,819     | 7,984,875        | 6,634,589        | 1,506,000        | 2,025,000        |
| 4. FUEL RECOVERED THROUGH<br>INTERSYSTEM SALES             | <u>167,815</u>     | <u>530,348</u> | <u>4,940,422</u> | <u>3,814,793</u> | <u>1,659,000</u> | <u>1,359,000</u> |
| 5. TOTAL FUEL COSTS<br>(LINES 1+2+3+4)                     | 32,827,521         | 33,653,531     | 31,174,814       | 29,891,801       | 30,313,000       | 29,127,000       |
| 6. TOTAL SYSTEM SALES EXCLUDING<br>INTERSYSTEM SALES (KWH) | 1,570,800,420      | 1,824,278,033  | 1,965,434,221    | 1,984,262,746    | 1,668,000,000    | 1,639,000,000    |
| 7. FOSSIL FUEL COST PER KWH SALES                          | 0.020899           | 0.018448       | 0.015862         | 0.015064         | 0.018173         | 0.017771         |
| 8. LESS BASE COST PER KWH<br>INCLUDED IN RATES             | 0.016780           | 0.016780       | 0.016780         | 0.016780         | 0.016780         | 0.016780         |
| 9. FOSSIL FUEL ADJUSTMENT PER KWH                          | 0.00412            | 0.00167        | (0.00092)        | (0.00172)        | 0.00139          | 0.00099          |
| 10. OVER/UNDER RECOVERY REVENUE KWH                        | 1,461,116,878      | 1,691,946,696  | 1,834,324,826    | 1,859,045,811    | 1,557,000,000    | 1,528,000,000    |
| 11. OVER/UNDER RECOVERY REVENUE                            | 6,019,802          | 2,825,551      | (1,687,579)      | (3,197,559)      | 2,164,230        | 1,512,720        |
| 12. ADJUSTMENT   | 0                  | 0              | 0                | 0                | (25,618,063)     | 0                |
| 13. FIXED CAPACITY CHARGES                                 | (673,417)          | (673,417)      | (673,417)        | (673,417)        | (673,417)        | (673,417)        |
| 14. NET OVER/UNDER RECOVERY REVENUE                        | 5,346,385          | 2,152,134      | (2,360,996)      | (3,870,976)      | (24,127,250)     | 839,303          |
| 15. CUMULATIVE UNDER(OVER)\$19,285,714                     | 24,612,099         | 26,764,233     | 24,403,237       | 20,532,261       | (3,594,989)      | (2,755,686)      |

Exhibit No. (JRH-4)

## SOUTH CAROLINA ELECTRIC &amp; GAS COMPANY

## FUEL COSTS REPORT

## 2004 FORECAST

| LINE NO.  | MAY \$        | JUNE \$       | JULY \$       | AUGUST \$     | SEPTEMBER \$  | OCTOBER \$    |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| 1. TOTAL COST OF FOSSIL FUEL BURNED                     | 30,361,000    | 39,968,000    | 44,979,000    | 45,033,000    | 32,971,000    | 27,593,000    |
| 2. NUCLEAR FUEL   | 2,234,000     | 2,140,000     | 2,211,000     | 2,211,000     | 2,140,000     | 2,235,000     |
| 3. PURCHASED AND INTERCHANGE POWER FUEL COSTS           | 7,928,000     | 8,098,000     | 9,160,000     | 9,460,000     | 8,204,000     | 7,160,000     |
| 4. FUEL RECOVERED THROUGH INTERSYSTEM SALES             | 6,937,000     | 11,404,000    | 10,190,000    | 10,556,000    | 8,845,000     | 4,123,000     |
| 5. TOTAL FUEL COSTS (LINES 1+2+3+4)                     | 33,586,000    | 38,802,000    | 46,160,000    | 46,148,000    | 34,470,000    | 32,865,000    |
| 6. TOTAL SYSTEM SALES EXCLUDING INTERSYSTEM SALES (KWH) | 1,768,000,000 | 1,997,000,000 | 2,252,000,000 | 2,273,000,000 | 2,166,000,000 | 1,810,000,000 |
| 7. FOSSIL FUEL COST PER KWH SALES                       | 0.018997      | 0.019430      | 0.020497      | 0.020303      | 0.015914      | 0.018157      |
| 8. LESS BASE COST PER KWH INCLUDED IN RATES             | 0.018210      | 0.018210      | 0.018210      | 0.018210      | 0.018210      | 0.018210      |
| 9. FOSSIL FUEL ADJUSTMENT PER KWH                       | 0.00079       | 0.00122       | 0.00229       | 0.00209       | (0.00230)     | (0.00005)     |
| 10. OVER/UNDER RECOVERY REVENUE KWH                     | 1,649,000,000 | 1,864,000,000 | 2,104,000,000 | 2,123,000,000 | 2,037,000,000 | 1,694,000,000 |
| 11. OVER/UNDER RECOVERY REVENUE                         | 1,302,710     | 2,274,080     | 4,818,160     | 4,437,070     | (4,685,100)   | (84,700)      |
| 12. ADJUSTMENT  | 0             | 0             | 0             | 0             | 0             | 0             |
| 13. FIXED CAPACITY CHARGES                              | (673,417)     | (673,417)     | (673,417)     | (673,417)     | (673,417)     | (673,417)     |
| 14. NET OVER/UNDER RECOVERY REVENUE                     | 629,293       | 1,600,663     | 4,144,743     | 3,763,653     | (5,358,517)   | (758,117)     |
| 15. CUMULATIVE UNDER(OVER) (\$2,755,686)                | (2,126,393)   | (525,730)     | 3,619,013     | 7,382,666     | 2,024,149     | 1,266,032     |

## SOUTH CAROLINA ELECTRIC &amp; GAS COMPANY

## FUEL COSTS REPORT

## 2004 - 2005 FORECAST

| LINE NO.  | NOVEMBER<br>\$ | DECEMBER<br>\$ | JANUARY<br>\$ | FEBRUARY<br>\$ | MARCH<br>\$   | APRIL<br>\$   |
|---|----------------|----------------|---------------|----------------|---------------|---------------|
| 1. TOTAL COST OF FOSSIL FUEL BURNED                     | 23,852,000     | 28,503,000     | 28,960,000    | 21,134,000     | 22,339,000    | 25,940,000    |
| 2. NUCLEAR FUEL   | 2,159,000      | 2,235,000      | 2,235,000     | 2,013,000      | 2,235,000     | 1,152,000     |
| 3. PURCHASED AND INTERCHANGE POWER FUEL COSTS           | 7,693,000      | 8,398,000      | 7,962,000     | 8,937,000      | 9,325,000     | 8,517,000     |
| 4. FUEL RECOVERED THROUGH INTERSYSTEM SALES             | 4,475,000      | 4,932,000      | 3,927,000     | 1,351,000      | 1,932,000     | 2,146,000     |
| 5. TOTAL FUEL COSTS (LINES 1+2+3+4)                     | 29,229,000     | 34,204,000     | 35,230,000    | 30,733,000     | 31,967,000    | 33,463,000    |
| 6. TOTAL SYSTEM SALES EXCLUDING INTERSYSTEM SALES (KWH) | 1,666,000,000  | 1,789,000,000  | 1,918,000,000 | 1,805,000,000  | 1,694,000,000 | 1,665,000,000 |
| 7. FOSSIL FUEL COST PER KWH SALES                       | 0.017544       | 0.019119       | 0.018368      | 0.017027       | 0.018871      | 0.020098      |
| 8. LESS BASE COST PER KWH INCLUDED IN RATES             | 0.018210       | 0.018210       | 0.018210      | 0.018210       | 0.018210      | 0.018210      |
| 9. FOSSIL FUEL ADJUSTMENT PER KWH                       | (0.00067)      | 0.00091        | 0.00016       | (0.00118)      | 0.00066       | 0.00189       |
| 10. OVER/UNDER RECOVERY REVENUE KW                      | 1,555,000,000  | 1,661,000,000  | 1,788,000,000 | 1,683,000,000  | 1,582,000,000 | 1,553,000,000 |
| 11. OVER/UNDER RECOVERY REVENUE                         | (1,041,850)    | 1,511,510      | 286,080       | (1,965,940)    | 1,044,120     | 2,935,170     |
| 12. ADJUSTMENT  | 0              | 0              | 0             | 0              | 0             | 0             |
| 13. FIXED CAPACITY CHARGES                              | (673,417)      | (673,417)      | (673,417)     | (673,417)      | (673,417)     | (673,417)     |
| 14. NET OVER/UNDER RECOVERY REVENUE                     | (1,715,267)    | 838,093        | (387,337)     | (2,659,357)    | 370,703       | 2,261,753     |
| 15. CUMULATIVE UNDER(OVER) \$1,266,032                  | (449,235)      | 388,858        | 1,521         | (2,657,836)    | (2,287,133)   | (25,380)      |

**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
CALCULATION OF BASE FUEL COMPONENT**

**FORECAST  
MAY 04 - APR 05  
12 MONTHS**

**1. PROJECTED DATA:**

|                          |           |
|--------------------------|-----------|
| COST OF FUEL (\$000)     | \$426,857 |
| SYSTEM SALES (GWH)       | 22,803    |
| AVERAGE COST (CENTS/KWH) | 1.872     |

|  |            |
|--|------------|
| <b>2. (OVER)/UNDER COLLECTION (\$000) THROUGH APRIL 2004</b> | (\$10,837) |
|--|------------|

|                                   |         |
|-----------------------------------|---------|
| SOUTH CAROLINA RETAIL SALES (GWH) | 21,293  |
| AVERAGE COST (CENTS/KWH)          | (0.051) |

**3. BASE COST (CENTS/KWH):**

|                            |                     |
|----------------------------|---------------------|
| PROJECTED FUEL COST        | 1.872               |
| (OVER)/UNDER RECOVERY RATE | <u>(0.051)</u>      |
| PROJECTED BASE FUEL COST   | <u><u>1.821</u></u> |

**Note:** Over/Under Collection reduced by the retail portion of Urquhart Fixed Capacity Charge (\$8,081,000) per Order No. 2003-38 and \$25,618,063 based on the proposed stipulation with the Consumer Advocate.

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF**  
**SOUTH CAROLINA**  
**DOCKET NUMBERS**  
**2002-2-E**  
**2003-2-E**

|  |  |
|--|--|
| <b>IN RE:</b> Annual Review of Base Rates for Fuel Costs )<br>Of South Carolina Electric & Gas Company )<br>)<br>)<br>)<br>)<br>)<br>) | STIPULATION BY AND<br>AND BETWEEN SOUTH<br>CAROLINA ELECTRIC & GAS<br>COMPANY AND THE<br>CONSUMER ADVOCATE FOR<br>SOUTH CAROLINA |
|--|--|

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The parties to this stipulation are South Carolina Electric & Gas Company (SCE&G or Company) and the Consumer Advocate for South Carolina (Consumer Advocate), together referred to herein as the "parties."

WHEREAS, by its orders approving base rates for fuel costs, entered in the above-captioned dockets (Orders Nos. 2002-347, 2002-460, 2003-295, and 2003-387), the Public Service Commission of South Carolina (PSC or Commission), pursuant to S.C. Code Ann. Sec. 58-27-865 (2003 Cum. Supp.), approved for recovery through the Company's fuel clause the full cost of the Company's economic purchases of electric power, including transportation, so long as the cost of such purchases was less than the Company's avoided cost for the generation of an equivalent amount of power; and

WHEREAS, the Circuit Court, on appeal, has issued its orders reversing the Commission, concluding that the language of S.C. Code Ann. Sec. 58-27-865 (2003 Cum. Supp.) only allows



the recovery of the cost of fuel used in generating such purchased power, not the total cost of the power purchase; and has remanded these cases to the Commission; and

WHEREAS, because of the difficulty often incurred in identifying the cost of fuel incurred in generating purchased power, for the reasons articulated in the records in these dockets, the Consumer Advocate recommended the use of a proxy for such fuel costs, whereby 60% of the cost of purchased power, including transportation costs, would be recovered through the fuel clause and 40% of such costs would be deferred until the Company's next case adjusting base rates for electricity; and

WHEREAS, since the hearing of these cases by the Commission and the review by Judge Hayes, the General Assembly of South Carolina has amended S.C. Code Ann. Sec 58-27-865, *supra*, clarifying its intention to allow recovery of the full cost of purchased electric power pursuant to the avoided cost methodology referred to above.

NOW, THEREFORE, the parties hereby stipulate and recommend to the Commission, the following disposition of the purchased power recovery issue in Dockets 2002-2-E and 2003-2-E, on remand from Judge Hayes:

1. The Commission, as a proxy for the cost of fuel used in the generation of electric power, procured through economy purchases by the Company, pursuant to its avoided cost methodology, shall allow 60% of the cost of the power purchased, including transportation, to be recovered through the Company's fuel clause. The remaining 40% of such purchased power costs shall be deferred and recovered in the Company's next case adjusting base electric rates. The calculations of the 60% of the cost of purchased power to be flowed through the fuel clause and the 40% of such costs to be deferred until the Company's next base rate case, all subject to Commission audit, are attached hereto and made a part hereof as Exhibit A.

2. The parties believe that the proposed resolution of the temporary condition created by these two cases on remand, the finality of outcome resulting from this stipulation, and the reasonableness of this outcome are in the best interest of the Company and its customers, and, therefore, recommend this disposition to the Commission. If the Commission approves the Stipulation, this disposition will conclude the issues between the Company and the Consumer Advocate in Dockets 2002-2-E and 2003-2-E. Should the Commission reject the Stipulation, it shall be null and void and the Company and the Consumer Advocate shall be free to pursue any and all legal remedies available to them.

Witness our signatures below this 31 day of March, 2004.

SOUTH CAROLINA ELECTRIC &  
GAS COMPANY

By Catherine D. Taylor  
Its Associate General Counsel

THE CONSUMER ADVOCATE FOR  
SOUTH CAROLINA

By Elliott J. Elam, Jr.  
Its Consumer Advocate

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**MARCH 2001 THROUGH FEBRUARY 2003**

| <b>MONTH</b> | <b>DEFERRED<br/>REVENUE<br/>(\$)</b> |
|--------------|--------------------------------------|
| Mar-01       | (\$1,022,734)                        |
| Apr-01       | (\$3,120,777)                        |
| May-01       | (\$420,581)                          |
| Jun-01       | (\$1,558,956)                        |
| Jul-01       | (\$928,384)                          |
| Aug-01       | (\$461,993)                          |
| Sep-01       | (\$117,107)                          |
| Oct-01       | (\$1,638,385)                        |
| Nov-01       | (\$380,948)                          |
| Dec-01       | (\$174,227)                          |
| Jan-02       | (\$685,120)                          |
| Feb-02       | (\$228,181)                          |
| Mar-02       | (\$560,916)                          |
| Apr-02       | (\$1,313,354)                        |
| May-02       | (\$2,785,795)                        |
| Jun-02       | (\$1,611,214)                        |
| Jul-02       | (\$789,585)                          |
| Aug-02       | (\$535,443)                          |
| Sep-02       | (\$861,499)                          |
| Oct-02       | (\$2,212,161)                        |
| Nov-02       | (\$608,659)                          |
| Dec-02       | (\$1,618,864)                        |
| Jan-03       | (\$778,445)                          |
| Feb-03       | (\$714,535)                          |
| Feb-03       | (\$490,197)                          |
| <b>Total</b> | <b>(\$25,618,063)</b>                |

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EXHIBIT A

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
MARCH 2001 THROUGH FEBRUARY 2002

| MONTH  | ECONOMY<br>PURCHASES<br>PER P & I<br>(\$) | 60%<br>PROXY<br>(\$) | FUEL CLAUSE<br>RECOVERY<br>DIFFERENCE<br>(\$) | NET FUEL COST<br>ELECTRIC<br>REVENUE REQ<br>(\$) | NET FUEL COST<br>ELECTRIC<br>REVENUE REQ<br>(\$) | NET FUEL COST<br>ELECTRIC<br>REVENUE REQ<br>(\$) | KWH<br>SALES   | FOSSIL FUEL<br>COST PER<br>KWH SALES<br>(\$) | BASE FUEL<br>COST<br>PER KWH<br>(\$) | FOSSIL FUEL<br>ADJUSTMENT<br>PER KWH<br>(\$) | PREVIOUS<br>ADJUSTMENT<br>PER KWH<br>(\$) | ADJUSTMENT<br>PER KWH<br>DIFFERENCE<br>(\$) | DEFERRED<br>KWH | PREVIOUS<br>DEFERRED<br>REV ADJ.<br>(\$) | DEFERRED<br>REVENUE<br>BASED ON PROXY<br>(\$) | DEFERRED<br>REVENUE<br>DIFFERENCE<br>(\$) |
|--------|---|----------------------|---|--|--|--|----------------|--|--------------------------------------|--|---|---|-----------------|--|---|---|
| Mar-01 | 2,829,112.48                              | 1,687,467.48         | 1,131,645.00                                  | 22,614,908.38                                    | 22,614,908.38                                    | 21,483,263.38                                    | 1,508,938,132  | 0.014237                                     | 0.013300                             | 0.00084                                      | 0.00165                                   | 0.00072                                     | 1,420,463,245   | \$2,357,969                              | \$1,335,235                                   | (\$1,022,734)                             |
| Apr-01 | 8,251,953.58                              | 4,951,172.39         | 3,300,781.59                                  | 25,510,050.52                                    | 25,510,050.52                                    | 22,209,269.53                                    | 1,571,968,125  | 0.014128                                     | 0.013300                             | 0.00083                                      | 0.00293                                   | 0.00210                                     | 1,488,084,273   | \$4,354,227                              | \$1,233,450                                   | (\$3,120,777)                             |
| May-01 | 1,115,678.24                              | 689,406.94           | 446,271.30                                    | 23,442,186.68                                    | 23,442,186.68                                    | 22,995,915.36                                    | 1,653,428,989  | 0.013908                                     | 0.015790                             | (0.00188)                                    | (0.00161)                                 | 0.00027                                     | 1,557,708,560   | (\$2,507,911)                            | (\$2,928,492)                                 | (\$420,581)                               |
| Jun-01 | 4,102,011.63                              | 2,461,206.98         | 1,640,804.65                                  | 29,051,578.74                                    | 29,051,578.74                                    | 27,410,774.09                                    | 1,855,590,058  | 0.014772                                     | 0.015790                             | (0.00102)                                    | (0.00013)                                 | 0.00089                                     | 1,751,636,377   | (\$227,713)                              | (\$1,786,669)                                 | (\$1,558,956)                             |
| Jul-01 | 2,230,034.79                              | 1,338,020.87         | 892,013.92                                    | 30,038,785.88                                    | 30,038,785.88                                    | 28,146,771.96                                    | 2,003,083,535  | 0.014551                                     | 0.015790                             | (0.00124)                                    | (0.00075)                                 | 0.00049                                     | 1,894,661,286   | (\$1,420,996)                            | (\$2,349,380)                                 | (\$928,384)                               |
| Aug-01 | 1,260,961.40                              | 756,576.84           | 504,384.56                                    | 31,023,920.82                                    | 31,023,920.82                                    | 30,519,538.36                                    | 2,042,047,965  | 0.014946                                     | 0.015790                             | (0.00084)                                    | (0.00060)                                 | 0.00024                                     | 1,924,970,051   | (\$1,154,982)                            | (\$1,816,975)                                 | (\$661,993)                               |
| Sep-01 | 314,441.38                                | 188,654.83           | 125,776.55                                    | 23,635,077.92                                    | 23,635,077.92                                    | 23,509,301.37                                    | 2,048,970,371  | 0.01474                                      | 0.015790                             | (0.00432)                                    | (0.00426)                                 | 0.00006                                     | 1,951,790,273   | (\$8,314,627)                            | (\$8,431,734)                                 | (\$117,107)                               |
| Oct-01 | 4,344,192.42                              | 2,506,515.45         | 1,737,676.97                                  | 24,669,632.50                                    | 24,669,632.50                                    | 22,831,955.53                                    | 1,631,430,844  | 0.014056                                     | 0.015790                             | (0.00173)                                    | (0.00067)                                 | 0.00106                                     | 1,545,646,142   | (\$1,035,583)                            | (\$2,673,968)                                 | (\$1,638,385)                             |
| Nov-01 | 983,267.75                                | 589,950.65           | 393,307.10                                    | 19,929,427.18                                    | 19,929,427.18                                    | 19,536,120.08                                    | 1,495,550,081  | 0.013063                                     | 0.015790                             | (0.00273)                                    | (0.00246)                                 | 0.00027                                     | 1,410,918,155   | (\$3,470,859)                            | (\$3,851,807)                                 | (\$380,949)                               |
| Dec-01 | 474,610.19                                | 284,763.11           | 189,844.08                                    | 21,863,738.32                                    | 21,863,738.32                                    | 21,673,894.24                                    | 1,541,284,009  | 0.014062                                     | 0.015790                             | (0.00173)                                    | (0.00161)                                 | 0.00012                                     | 1,451,894,505   | (\$2,337,550)                            | (\$2,511,777)                                 | (\$174,227)                               |
| Jan-02 | 1,774,556.09                              | 1,064,733.65         | 709,822.44                                    | 25,726,548.68                                    | 25,726,548.68                                    | 25,016,726.24                                    | 1,813,568,647  | 0.013794                                     | 0.015790                             | (0.00200)                                    | (0.00160)                                 | 0.00040                                     | 1,712,800,649   | (\$2,740,481)                            | (\$3,425,601)                                 | (\$685,120)                               |
| Feb-02 | 613,339.82                                | 368,003.95           | 245,335.97                                    | 21,833,654.56                                    | 21,833,654.56                                    | 21,588,328.59                                    | 1,610,784,336  | 0.013402                                     | 0.015790                             | (0.00239)                                    | (0.00224)                                 | 0.00015                                     | 1,521,208,752   | (\$3,407,509)                            | (\$3,635,689)                                 | (\$228,181)                               |
| Total  | 28,294,160.28                             | 16,976,496.17        | 11,317,664.11                                 | 299,339,520.26                                   | 299,339,520.26                                   | 288,021,856.15                                   | 20,776,643,092 | -  | -                                    | -  | -   | -   | 19,629,782,269  | (\$19,906,013)                           | (\$30,543,407)                                | (\$10,737,394)                            |

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
MARCH 2002 THROUGH FEBRUARY 2003

| MONTH  | ECONOMY<br>PURCHASES<br>PER P & I<br>(\$) | 60%<br>PROXY<br>(\$) | FUEL CLAUSE<br>RECOVERY<br>DIFFERENCE<br>(\$) | NET FUEL COST<br>ELECTRIC<br>REVENUE REQ<br>(\$) | NET FUEL COST<br>ELECTRIC<br>REVENUE REQ<br>(\$) | NET FUEL COST<br>ELECTRIC<br>REVENUE REQ<br>(\$) | KWH<br>SALES   | FOSSIL FUEL<br>COST PER<br>KWH SALES<br>(\$) | BASE FUEL<br>COST<br>PER KWH<br>(\$) | FOSSIL FUEL<br>ADJUSTMENT<br>PER KWH<br>(\$) | PREVIOUS<br>ADJUSTMENT<br>PER KWH<br>(\$) | ADJUSTMENT<br>PER KWH<br>DIFFERENCE<br>(\$) | DEFERRED<br>KWH | PREVIOUS<br>DEFERRED<br>REV ADJ.<br>(\$) | DEFERRED<br>REVENUE<br>BASED ON PROXY<br>(\$) | DEFERRED<br>REVENUE<br>DIFFERENCE<br>(\$) |
|--------|---|----------------------|---|--|--|--|----------------|--|--------------------------------------|--|---|---|-----------------|--|---|---|
| Mar-02 | 1,527,917.34                              | 916,750.40           | 611,166.94                                    | 23,666,469.45                                    | 23,666,469.45                                    | 23,666,469.45                                    | 1,632,226,851  | 0.014125                                     | 0.015790                             | (0.001665)                                   | (0.00128)                                 | 0.00037                                     | 1,515,989,839   | (\$1,955,627)                            | (\$2,516,543)                                 | (\$560,916)                               |
| Apr-02 | 3,515,909.42                              | 2,109,545.65         | 1,406,363.77                                  | 24,293,209.19                                    | 22,898,845.42                                    | 22,898,845.42                                    | 1,603,636,997  | 0.014272                                     | 0.015790                             | (0.00152)                                    | (0.00064)                                 | 0.00088                                     | 1,492,447,659   | (\$955,167)                              | (\$2,286,520)                                 | (\$1,313,354)                             |
| May-02 | 7,473,647.56                              | 4,484,186.54         | 2,989,461.02                                  | 32,045,938.28                                    | 29,056,477.24                                    | 29,056,477.24                                    | 1,798,437,385  | 0.016157                                     | 0.017220                             | (0.001063)                                   | 0.00060                                   | 0.00166                                     | 1,578,189,770   | \$1,006,914                              | (\$1,778,881)                                 | (\$2,785,795)                             |
| Jun-02 | 4,322,034.00                              | 2,593,220.40         | 1,728,813.60                                  | 35,837,469.59                                    | 34,106,655.99                                    | 34,106,655.99                                    | 1,947,994,871  | 0.017510                                     | 0.017220                             | 0.00029                                      | 0.00118                                   | 0.00089                                     | 1,810,352,472   | \$2,196,216                              | \$525,002                                     | (\$1,611,214)                             |
| Jul-02 | 2,121,867.73                              | 1,273,120.84         | 848,747.09                                    | 38,733,035.39                                    | 37,884,288.30                                    | 37,884,288.30                                    | 2,181,881,185  | 0.017365                                     | 0.017220                             | 0.00014                                      | 0.00053                                   | 0.00039                                     | 2,024,577,843   | \$1,073,028                              | \$283,441                                     | (\$789,505)                               |
| Aug-02 | 1,427,494.17                              | 856,496.50           | 570,997.67                                    | 38,004,323.05                                    | 35,433,325.38                                    | 35,433,325.38                                    | 2,208,085,498  | 0.016047                                     | 0.017220                             | (0.00117)                                    | (0.00024)                                 | 0.00028                                     | 2,059,398,003   | (\$1,874,050)                            | (\$2,409,453)                                 | (\$535,443)                               |
| Sep-02 | 2,297,237.32                              | 1,378,342.30         | 918,894.93                                    | 31,955,784.64                                    | 31,036,869.71                                    | 31,036,869.71                                    | 2,132,482,630  | 0.014654                                     | 0.017220                             | (0.00267)                                    | (0.00130)                                 | 0.00126                                     | 1,755,683,085   | (\$4,487,809)                            | (\$5,349,308)                                 | (\$861,499)                               |
| Oct-02 | 5,911,574.30                              | 3,646,944.58         | 2,264,629.72                                  | 29,884,043.28                                    | 27,499,413.56                                    | 27,499,413.56                                    | 1,876,054,532  | 0.014658                                     | 0.017220                             | (0.00256)                                    | (0.00130)                                 | 0.00126                                     | 1,755,683,085   | (\$2,282,389)                            | (\$4,494,550)                                 | (\$2,212,161)                             |
| Nov-02 | 1,645,489.13                              | 987,281.48           | 658,187.65                                    | 23,446,527.45                                    | 22,785,339.80                                    | 22,785,339.80                                    | 1,833,410,284  | 0.013950                                     | 0.017220                             | (0.00327)                                    | (0.00287)                                 | 0.00040                                     | 1,521,648,568   | (\$4,387,131)                            | (\$4,975,791)                                 | (\$588,659)                               |
| Dec-02 | 4,385,547.01                              | 2,819,326.22         | 1,566,220.79                                  | 27,487,570.47                                    | 25,741,351.87                                    | 25,741,351.87                                    | 1,839,548,327  | 0.014018                                     | 0.017220                             | (0.00320)                                    | (0.00225)                                 | 0.00095                                     | 1,704,067,820   | (\$3,894,153)                            | (\$5,453,077)                                 | (\$1,518,864)                             |
| Jan-03 | 2,106,533.70                              | 1,263,920.22         | 842,613.48                                    | 33,244,088.13                                    | 32,407,475.65                                    | 32,407,475.65                                    | 1,907,532,803  | 0.016986                                     | 0.017220                             | (0.00023)                                    | 0.00021                                   | 0.00044                                     | 1,789,183,216   | \$371,531                                | (\$4,06,914)                                  | (\$78,445)                                |
| Feb-03 | 3,231,389.78                              | 1,938,821.87         | 1,292,567.91                                  | 27,180,151.04                                    | 25,897,603.13                                    | 25,897,603.13                                    | 1,835,330,841  | 0.014111                                     | 0.017220                             | (0.00309)                                    | (0.00197)                                 | 0.00112                                     | 1,624,763,751   | (\$2,010,805)                            | (\$2,725,439)                                 | (\$714,535)                               |
| Total  | 39,946,601.46                             | 23,967,860.88        | 15,978,640.58                                 | 383,765,308.94                                   | 347,786,948.36                                   | 347,786,948.36                                   | 22,593,422,115 | 0.014497                                     | 0.017220                             | (0.00272)                                    | (0.00202)                                 | 0.00070                                     | 700,281,906     | (\$1,414,569)                            | (\$1,904,767)                                 | (\$490,197)                               |
|        |   |                      |   |  |  |  |                |  |                                      |  |   |   | 21,056,076,731  | (\$18,584,113)                           | (\$33,474,702)                                | (\$14,888,689)                            |